

2009 DRAFTING REQUEST

Bill

Received: **01/15/2009**

Received By: **agary**

Wanted: **As time permits**

Identical to LRB:

For: **Administration-Budget**

By/Representing: **Dombrowski**

This file may be shown to any legislator: **NO**

Drafter: **agary**

May Contact:

Addl. Drafters:

Subject: **Fin. Inst. - securities**

Extra Copies: **MDK**

Submit via email: **NO**

Pre Topic:

DOA:.....Dombrowski, BB0433 -

Topic:

Mutual fund fees

Instructions:

See attached

Drafting History:

| <u>Vers.</u> | <u>Drafted</u> | <u>Reviewed</u> | <u>Typed</u> | <u>Proofed</u> | <u>Submitted</u> | <u>Jacketed</u> | <u>Required</u> |
|--------------|---------------------|-----------------------|------------------------|----------------|------------------------|-----------------|-----------------|
| /? | | | | | | | State |
| /1 | agary 01/16/2009 | nnatzke 01/17/2009 | jfrantze 01/19/2009 | | sbasford 01/20/2009 | | State |
| /2 | agary 01/23/2009 | nnatzke 01/23/2009 | phenry 01/23/2009 | | sbasford 01/23/2009 | | |

FE Sent For:

<END>

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|--------------|----------------|-----------------|-------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------|------------------|-----------------|-----------------|
| /? | agary | 1 nwn 1/16 |  |  1/19 | | | |

FE Sent For:

<END>

2009-11 Budget Bill Statutory Language Drafting Request

- Topic: Mutual Fund Fees
- Tracking Code: BB0433
- SBO team: GGED
- SBO analyst: Cindy Dombrowski CD
 - Phone: 266-5878
 - Email: cynthia.dombrowski@wisconsin.gov
- Agency acronym: DFI
- Agency number: 144
- Priority (Low, Medium, High): High

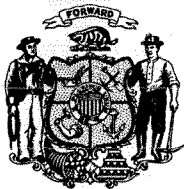
Intent:

Modify the mutual fund filing fees.

Raise the minimum to \$300.

Raise the maximum to \$3000.

Raise the % from 0.05 to 0.07



State of Wisconsin
2009 - 2010 LEGISLATURE

LRB-1567/1

ARG:.....

nwn

in
1/16

DOA:.....Dombrowski, BB0433 - Mutual fund fees

FOR 2009-11 BUDGET -- NOT READY FOR INTRODUCTION

SA ✓
X-ref ✓

1

AN ACT ^{don't gen.} relating to: the budget.

Analysis by the Legislative Reference Bureau
COMMERCE AND ECONOMIC DEVELOPMENT

COMMERCE

Securities

Under current law, unless an exception or exemption applies, no security may be offered or sold in this state unless the security is registered with the division of securities in DFI (division). A federal covered security is exempt from state registration requirements but is subject to notice filing with the division. A federal covered security includes a security issued by an investment company registered with the the federal Securities and Exchange Commission. With exceptions, an "investment company" includes an issuer that is engaged primarily in the business of investing, reinvesting, or trading in securities. An investment company may take several forms, such as a face-amount certificate company, unit investment trust, or management company, and is most commonly known in the form of a "mutual fund." Current law imposes a \$750 filing fee for registering securities or for notice filing of federal covered securities and, for investment companies, imposes an additional annual sales fee. Each investment company must report annually to the division and pay an annual fee of 0.05 percent of the dollar amount of the securities sold to persons in this state, but not less than \$150 nor more than \$1,500, or may elect not to report the amount of securities sold and pay a fee of \$1,500.

This bill increases the annual sales fee paid by investment companies. Under the bill, each investment company must report annually to the division and pay an annual fee of 0.07 percent of the dollar amount of the securities sold to persons in this state, but not less than \$300 nor more than \$3,000, or may elect not to report the amount of securities sold and pay a fee of \$3,000.

For further information see the *state* fiscal estimate, which will be printed as an appendix to this bill.

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

SECTION 1. 551.614 (1) (b) 1. a. of the statutes is amended to read:

551.614 (1) (b) 1. a. Elect not to include the information under subd. 1. b. and instead pay a fee of \$1,500 \$3,000.

History: 2007 a. 196.

SECTION 2. 551.614 (1) (b) 1. b. of the statutes is amended to read:

551.614 (1) (b) 1. b. Report the amount of securities sold to persons in this state during the preceding fiscal year or, if the registration is terminated, during the portion of the preceding fiscal year during which the registration was effective, and pay a fee of ~~0.05~~ 0.07 percent of the dollar amount of the securities sold to persons in this state, but not less than \$150 ^{\$300} nor more than \$1,500 \$3,000.

History: 2007 a. 196.

SECTION 3. 551.614 (1) (b) 2. a. of the statutes is amended to read:

551.614 (1) (b) 2. a. Elect not to include the information under subd. 2. b. and instead pay a fee of \$1,500 \$3,000.

History: 2007 a. 196.

SECTION 4. 551.614 (1) (b) 2. b. of the statutes is amended to read:

551.614 (1) (b) 2. b. Report the amount of securities sold to persons in this state during the preceding fiscal year or, if sales have terminated, during the portion of the preceding fiscal year during which sales were made, and pay a fee of ~~0.05~~ 0.07 percent

1 of the dollar amount of the securities sold to persons in this state, but not less than
2 \$150 ~~\$300~~ nor more than \$1,500 ~~\$3,000~~. ✓

History: 2007 a. 196.

3

17
SECTION 9350. Initial applicability; ~~Transportation~~ ✓ *Financial Institutions*

4 (1) SECURITIES FEES. The treatment of section 551.614 (1) (b) 1. a. ✓ and b. ✓ and
5 2. a. ✓ and b. ✓ of the statutes first applies to filings received by the division of securities
6 on the effective date of this subsection. ✓

7

(END)

Gary, Aaron

From: Dombrowski, Cynthia A - DOA [cynthia.dombrowski@wisconsin.gov]
Sent: Friday, January 23, 2009 9:40 AM
To: Gary, Aaron
Subject: Mutual Funds Draft

Hi Aaron -

Related to draft 1567/1.

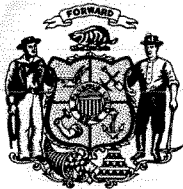
Can you modify the draft to go back to .05 percent of sales; change the minimum to \$500 and the maximum to \$10,000. Also change the registration fee from \$750 to \$1000. Let me know if you have any questions or need clarification.

Thank you!!!

Cindy

Cynthia Dombrowski
Executive Policy and Budget Analyst
Department of Administration
Tel: (608)266-5878
Fax: (608)267-0372
cynthia.dombrowski@wisconsin.gov

01/23/2009



State of Wisconsin
2009 - 2010 LEGISLATURE

LRB-1567/02

ARG:nwn:jf

in 1/23 stays RMA

DOA:.....Dombrowski, BB0433 - Mutual fund fees

FOR 2009-11 BUDGET -- NOT READY FOR INTRODUCTION

don't gen.

1 AN ACT ...; relating to: the budget.

Analysis by the Legislative Reference Bureau
COMMERCE AND ECONOMIC DEVELOPMENT

COMMERCE

Securities

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insert
ANAL

This bill increases the annual sales fee paid by investment companies. Under the bill, each investment company must report annually to the division and pay an annual fee of 0.07 percent of the dollar amount of the securities sold to persons in this state, but not less than \$300 nor more than \$3,000, or may elect not to report the amount of securities sold and pay a fee of \$3,000.

For further information see the *state* fiscal estimate, which will be printed as an appendix to this bill.

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

insert
2-1

1 SECTION 1. 551.614 (1) (b) 1. a. of the statutes is amended to read:

2 551.614 (1) (b) 1. a. Elect not to include the information under subd. 1. b. and

3 instead pay a fee of \$1,500 ~~\$3,000~~.

4 SECTION 2. 551.614 (1) (b) 1. b. of the statutes is amended to read:

5 551.614 (1) (b) 1. b. Report the amount of securities sold to persons in this state
6 during the preceding fiscal year or, if the registration is terminated, during the
7 portion of the preceding fiscal year during which the registration was effective, and

8 pay a fee of ~~0.05~~ ^{plain 2} 0.07 percent of the dollar amount of the securities sold to persons

9 in this state, but not less than \$150 ^{\$500} ~~\$300~~ nor more than \$1,500 ^{\$10,000} ~~\$3,000~~.

10 SECTION 3. 551.614 (1) (b) 2. a. of the statutes is amended to read:

11 551.614 (1) (b) 2. a. Elect not to include the information under subd. 2. b. and

12 instead pay a fee of \$1,500 ~~\$3,000~~.

13 SECTION 4. 551.614 (1) (b) 2. b. of the statutes is amended to read:

14 551.614 (1) (b) 2. b. Report the amount of securities sold to persons in this state
15 during the preceding fiscal year or, if sales have terminated, during the portion of the
16 preceding fiscal year during which sales were made, and pay a fee of ~~0.05~~ ^{plain 2} 0.07 percent

17 of the dollar amount of the securities sold to persons in this state, but not less than

18 \$150 ^{\$500} ~~\$300~~ nor more than \$1,500 ^{\$10,000} ~~\$3,000~~.

1

SECTION 9317. Initial applicability; Financial Institutions.

(a) and

2

(1) SECURITIES FEES. The treatment of section 551.614 (1) (b) 1. a. and b. and

3

2. a. and b. of the statutes first applies to filings received by the division of securities

4

on the effective date of this subsection. ✓

5

(END)

2009-2010 DRAFTING INSERT
FROM THE
LEGISLATIVE REFERENCE BUREAU

LRB-1567/2ins
ARG:.....

1 **INSERT ANAL:**

 This bill increases the registration and notice filing fee for all securities[✓] and the annual sales fee paid by investment companies[✓]. The bill increases the securities registration and notice filing fee from \$750 to \$1,000[✓]. The bill also increases the minimum and maximum annual sales fee paid by investment companies to a minimum fee of \$500[✓] and a maximum fee of \$10,000[✓], with a fee of \$10,000 for those investment companies that elect not to report the amount of securities sold for the year.[✓]

2 **INSERT 2-1:**

3 **SECTION 1.** [✓]551.614 (1) (a) of the statutes is amended to read:

4 551.614 (1) (a) There shall be a filing fee of \$750 \$1,000 for every registration
5 statement filed under s. 551.303 or 551.304, and for every notice filing under s.
6 551.302. If a registration statement is denied or withdrawn before the effective date
7 or a pre-effective stop order is entered under s. 551.306, or a notice filing is
8 withdrawn, the filing fee shall be retained.[✓]

History: 2007 a. 196.



State of Wisconsin
2009 - 2010 LEGISLATURE

LRB-1567/2

ARG:nwn:ph

DOA:.....Dombrowski, BB0433 - Mutual fund fees

FOR 2009-11 BUDGET -- NOT READY FOR INTRODUCTION

1 AN ACT ...; relating to: the budget.

Analysis by the Legislative Reference Bureau
COMMERCE AND ECONOMIC DEVELOPMENT
COMMERCE

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This bill increases the registration and notice filing fee for all securities and the annual sales fee paid by investment companies. The bill increases the securities registration and notice filing fee from \$750 to \$1,000. The bill also increases the minimum and maximum annual sales fee paid by investment companies to a minimum fee of \$500 and a maximum fee of \$10,000, with a fee of \$10,000 for those investment companies that elect not to report the amount of securities sold for the year.

For further information see the *state* fiscal estimate, which will be printed as an appendix to this bill.

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3 statement filed under s. 551.303 or 551.304, and for every notice filing under s.
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6 withdrawn, the filing fee shall be retained.

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14 pay a fee of 0.05 percent of the dollar amount of the securities sold to persons in this
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16 **SECTION 4.** 551.614 (1) (b) 2. a. of the statutes is amended to read:

1 551.614 (1) (b) 2. a. Elect not to include the information under subd. 2. b. and
2 instead pay a fee of ~~\$1,500~~ \$10,000.

SECTION 5. 551.614 (1) (b) 2. b. of the statutes is amended to read:

4 551.614 (1) (b) 2. b. Report the amount of securities sold to persons in this state
5 during the preceding fiscal year or, if sales have terminated, during the portion of the
6 preceding fiscal year during which sales were made, and pay a fee of 0.05 percent of
7 the dollar amount of the securities sold to persons in this state, but not less than \$150
8 \$500 nor more than \$1,500 \$10,000.

9 **SECTION 9317. Initial applicability; Financial Institutions.**

(1) SECURITIES FEES. The treatment of section 551.614 (1) (a) and (b) 1. a. and b. and 2. a. and b. of the statutes first applies to filings received by the division of securities on the effective date of this subsection.

13 (END)